

Exhibit 616 [replacing Dkt. #2371-72] attached to Plaintiffs' Consolidated Memorandum in Opposition to Defendants' Motions for Summary Judgment on Plaintiffs' Civil Conspiracy, RICO and OCPA Claims at Dkt. #2182.

- Redactions withdrawn by Defendant

PSJ3

Exhibit 616

CVS CSMP: Threshold Review

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December 1, 2008

- **Summary of CVS October CSMP Analysis:**
 - **Details of 14 Oxydodone Instances**
 - **Details of 33 Hydrocodone Instances**

- **Summary of FirstPass Impact on CVS CSMP Instances in September & October 08**

- **Go Forward Proposal**

Summary of CVS October CSMP Analysis:

Details of 14 Oxydodone Instances

- ▶ Prior threshold setting was based on data from 3/07-2/08 and has since been modified using most recent 12 month data on all CVS thresholds. As a result, none of these would have been flagged with the new threshold setting.
- ▶ The last 10 instances appear to have been a spike in October with <3 other months near the same quantity.
- ▶ Each of these location's order details are listed on the excel file provided separately.

CVS Phcy	Red font indicates month's doses are 90% or above October threshold.												Highest Month	New Threshold 11/14/08	10/1 Threshold
	11/07	12/07	01/08	02/08	03/08	04/08	05/08	06/08	07/08	08/08	09/08	10/08			
8430A	13,185	18,568	15,868	13,768	18,208	17,373	18,258	12,902	22,568	16,168	16,234	20,934	22,568	25,000	8,000
7078B	11,400	10,000	10,700	15,700	10,700	10,900	11,100	12,300	14,100	12,600	13,400	21,700	21,700	24,000	8,000
8804B	17,300	15,300	20,600	13,600	16,800	23,234	15,400	21,100	23,434	15,300	15,800	23,000	23,434	26,000	14,000
9532B	4,500	7,100	4,100	9,103	4,500	5,900	5,100	7,900	9,200	7,200	7,700	9,100	9,200	11,000	8,000
8788B	8,700	11,300	8,800	9,500	11,800	13,800	10,800	10,300	12,800	10,400	10,300	14,000	14,000	16,000	14,000
7079B	4,100	4,700	8,100	5,502	6,000	8,100	9,300	7,700	11,700	8,600	7,500	9,900	11,700	13,000	10,000
8807B	10,200	12,200	15,100	15,000	15,200	17,500	11,400	14,200	13,600	17,100	11,500	19,600	19,600	22,000	18,000
7855B	5,200	6,600	8,800	6,500	5,900	7,400	5,800	8,100	12,600	9,700	10,100	13,400	13,400	15,000	12,000
9279B	3,817	2,400	1,900	4,300	7,100	7,134	9,017	2,500	3,400	3,517	1,400	9,917	9,917	11,000	8,000
9343B	12,601	10,302	10,100	11,600	15,002	15,101	12,100	15,701	18,702	15,701	14,901	20,301	20,301	23,000	20,400
8555A	2,000	2,700	2,700	4,200	1,800	2,700	5,500	17,200	8,400	11,000	9,900	12,100	17,200	19,000	13,248
8772A	15,800	13,200	15,300	13,100	15,800	18,100	11,600	14,400	19,400	17,400	8,617	24,100	24,100	27,000	21,850
5435A	5,600	4,400	4,800	3,600	7,000	3,500	4,400	5,400	6,400	6,000	4,000	9,800	9,800	11,000	8,000
6222B	600	2,300	4,700	5,700	1,400	3,600	5,700	3,403	4,200	2,300	4,100	7,400	7,400	9,000	8,000

Summary of CVS October CSMP Analysis:

Details of 33 Hydrocodone Instances

- The data below shows that FirstPass only directly impacted the first 4 of the 33 instances. The other 29 instances would have been over 90% of their threshold regardless of FirstPass.

Name	St	Grand Total	First Pass	NonFP Orders	Initial Monthly Threshold	90% of threshold	# Times Reported
CVS PHCY 6319B	TX	7,552	6,160	1,392	8,000	7,200	1
CVS PHCY 1057B	TX	5,336	3,869	1,467	11,000	9,900	1
CVS PHCY 0928B	TX	8,820	4,000	4,820	8,000	7,200	1
CVS PHCY 6767B	TX	5,752	3,624	2,128	8,000	7,200	1
CVS PHCY 6800B	TX	9,500	1,200	8,300	9,200	8,280	1
CVS PHCY 6827B	TX	7,768	1,291	6,477	8,000	7,200	1
CVS PHCY 6740B	TX	7,836	614	7,222	8,000	7,200	1
CVS PHCY 7301B	TX	7,020	383	6,637	8,000	7,200	1
CVS PHCY 7832B	TX	8,520	500	8,020	8,000	7,200	1
CVS PHCY 7766B	TX	8,320	100	8,220	8,000	7,200	1
CVS PHCY 6655B	TX	9,836	1,217	8,619	8,000	7,200	2
CVS PHCY 7207B	TX	11,048	3,511	7,537	8,000	7,200	2
CVS PHCY 6895B	TX	13,500	2,736	10,764	10,000	9,000	2
CVS PHCY 7229B	TX	8,016	80	7,936	8,000	7,200	1
CVS PHCY 6247B	TX	10,584	1,194	9,390	8,000	7,200	2
CVS PHCY 8323B	TX	10,748	3,142	7,606	10,000	9,000	1
CVS PHCY 7460B	TX	21,220	4,959	16,261	12,000	10,800	3
CVS PHCY 7729B	TX	12,812	720	12,092	10,000	9,000	1
CVS PHCY 8826B	AZ	36,220	398	35,822	25,000	22,500	4
CVS PHCY 7435B	TX	23,864		23,864	8,000	7,200	5
		234,272	39,698	194,574		-	33

Summary of CVS October CSMP Analysis:

Details of 33 Hydrocodone Instances

- ...and with the new threshold settings, none of these would have been flagged in October.

Name	St	Grand Total	First Pass	NonFP Orders	Initial Monthly Threshold	New Threshold 11/14/08	# Times Reported
CVS PHCY 6319B	TX	7,552	6,160	1,392	8,000	10,000	1
CVS PHCY 1057B	TX	5,336	3,869	1,467	11,000	16,800	1
CVS PHCY 0928B	TX	8,820	4,000	4,820	8,000	12,000	1
CVS PHCY 6767B	TX	5,752	3,624	2,128	8,000	10,000	1
CVS PHCY 6800B	TX	9,500	1,200	8,300	9,200	10,600	1
CVS PHCY 6827B	TX	7,768	1,291	6,477	8,000	9,200	1
CVS PHCY 6740B	TX	7,836	614	7,222	8,000	10,000	1
CVS PHCY 7301B	TX	7,020	383	6,637	8,000	9,200	1
CVS PHCY 7832B	TX	8,520	500	8,020	8,000	12,000	1
CVS PHCY 7766B	TX	8,320	100	8,220	8,000	11,500	1
CVS PHCY 6655B	TX	9,836	1,217	8,619	8,000	11,500	2
CVS PHCY 7207B	TX	11,048	3,511	7,537	8,000	13,000	2
CVS PHCY 6895B	TX	13,500	2,736	10,764	10,000	18,000	2
CVS PHCY 7229B	TX	8,016	80	7,936	8,000	12,000	1
CVS PHCY 6247B	TX	10,584	1,194	9,390	8,000	13,800	2
CVS PHCY 8323B	TX	10,748	3,142	7,606	10,000	15,000	1
CVS PHCY 7460B	TX	21,220	4,959	16,261	12,000	30,000	3
CVS PHCY 7729B	TX	12,812	720	12,092	10,000	19,500	1
CVS PHCY 8826B	AZ	36,220	398	35,822	25,000	42,300	4
CVS PHCY 7435B	TX	23,864		23,864	8,000	29,000	5
		234,272	39,698	194,574			33

Summary of FirstPass Impact on CVS CSMP

Instances in September and October 08

Reported 75 instances of ~72K possible (# Cust. * 60 Base Codes) >90% in October

Highest by State:

- 1st – Texas
- 2nd – Arizona
- 3rd – California

Rank by Store:

- CVS Phcy 8826B (AZ) – 7
- CVS Phcy 7435B (TX) – 5
- CVS Phcy 7460B (TX) – 2

Rank by Base Code:

- 1st – Hydrocodone
- 2nd – Oxycodone

Class Rank:

- CII – 48.00% (36)
- CV – 45.33% (34)
- CIV – 6.67% (5)

Oct

Base Code	Base Description	AZ	CA	IA	IL	IN	KS	LA	MO	NV	OK	TX	WI	Grand Total
1100	AMPHETAMINE		1	1	1		2		1			3		9
1724	METHYLPHENIDATE					1						2		3
2285	PHENOBARBITAL		1											1
2737	CLONAZEPAM	1												1
2885	LORAZEPAM	1	1											2
2925	TEMAZEPAM	1												1
9143	OXYCODONE	4	2					1	2	3	1		1	14
9150	HYDROMORPHONE	1												1
9170	DIPHENOXYLATE		1											1
9193	HYDROCODONE	4										29		33
9250	METHADONE									2		1		3
9300	MORPHINE		3								2	1		6
Grand Total		12	9	1	1	1	2	1	3	5	3	36	1	75

✓ The previous pages confirmed of the 75 instances above, 65 were definitely not caused by FirstPass.

- As there are no C2s on FirstPass, that means none of the 36 C2s and as we indicated 29 Hydrocodone instances would have been over their thresholds regardless of FirstPass.

✓ Neither was FirstPass a significant influence in September which listed 72 of the 82 instances being due to C2s.

Go Forward Proposal

- ▶ **Ongoing goals of this collaboration:**
 - Minimize disruption of business.
 - Establish accurate threshold settings in order to minimize # of routine instances for review and focus on true exceptions.
- ▶ McKesson reset all of CVS' thresholds based on more current 12 mo history, 11/07-10/08. ***This resulted in 332 threshold increases across the network in effect as of 11/14/08.***
- ▶ Instead of focusing on every location approaching their new threshold, McKesson will seek CVS support when such threshold increases are considered extraordinary. Otherwise, McKesson will adjust the thresholds reasonably without further CVS explanation.
- ▶ See following list of extraordinary thresholds McKesson would like to review with CVS at our next opportunity.

Top 5 highest CVS Phcy threshold settings for:

Oxycodone, Hydrocodone, Amphetamine & Alprazolam

	Store	DEA #	Cust #	Base Code	Base Name	Threshold
✓	CVS PHCY 8826B	BC3942693	841332	9143	OXYCODONE	95,500
	CVS PHCY 8824B	BC4013405	819215	9143	OXYCODONE	69,000
	CVS PHCY 8789B	BC5771250	818828	9143	OXYCODONE	64,000
	CVS PHCY 8821B	BC5187984	819180	9143	OXYCODONE	53,000
	CVS PHCY 9336B	BC7059644	842573	9143	OXYCODONE	47,000
	CVS PHCY 8811B	BC6628549	819108	9193	HYDROCODONE	49,000
✓	CVS PHCY 8826B	BC3942693	841332	9193	HYDROCODONE	42,300
	CVS PHCY 8794B	BC6595889	818870	9193	HYDROCODONE	34,000
	CVS PHCY 5959B	BC5278040	85763	9193	HYDROCODONE	33,000
✓	CVS PHCY 7460B	BC5354636	571698	9193	HYDROCODONE	30,000
	CVS PHCY 8309A	BC9099602	122336	1100	AMPHETAMINE	39,000
	CVS PHCY 6779B	BC5351200	803944	1100	AMPHETAMINE	25,000
	CVS PHCY 5322A	BC5276236	803301	1100	AMPHETAMINE	19,000
	CVS PHCY 8541A	BC4720098	817216	1100	AMPHETAMINE	16,200
	CVS PHCY 8881B	BC2586696	826314	1100	AMPHETAMINE	16,000
	CVS PHCY 2038A	FM0674805	286338	2882	ALPRAZOLAM	21,000
	CVS PHCY 8590A	BC0287917	843962	2882	ALPRAZOLAM	17,000
✓	CVS PHCY 7460B	BC5354636	571698	2882	ALPRAZOLAM	16,750
	CVS PHCY 9486B	BC2399132	836922	2882	ALPRAZOLAM	13,000
	CVS PHCY 6944B	BC5360261	429490	2882	ALPRAZOLAM	12,000